

# **WISCONSIN COMMUNITY BANK-MONROE**

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## ***MEMORANDUM***

***TO: Jeff Hudson-USDA Rural Development***

***FROM: Dennis L. Everson***

***DATE: August 3, 2005***

***SUBJECT: Decatur Dairy, Inc.***

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Wisconsin Community Bank would like Rural Development to approve language to be added in the subordination approval for Decatur Dairy, Inc. that would allow the subordination of A/R and Inventory to be extended during a liquidation period in the event of default on or before the April 1, 2006 subordination expiration date.

This request is being made so that Wisconsin Community Bank can assist Decatur Dairy, Inc. in financing the A/R and Inventory for this specialty cheese producer. Decatur Dairy, Inc. has a contract with a 75 dairy farmer cooperative (Decatur Swiss Cheese Cooperative) to produce and market cheese on their behalf. Wisconsin Community Bank has agreed to work with Decatur Dairy, Inc. to provide financing of A/R and Inventory on a collateral basis because Decatur Dairy, Inc. is financial stronger than Decatur Swiss Cheese Cooperative.

The inclusion of having the subordination period extended during a liquidation period in the event of default on or before the April 1, 2006 expiration date is imperative to the continued relationship between Wisconsin Community Bank and Decatur Dairy, Inc. along with the 75 dairy farmer owned cooperative (Decatur Swiss Cheese Cooperative) that supplies milk for the production of specialty cheese by Decatur Dairy, Inc.

If you should have any questions, please feel free to contact Dennis Everson at 608-328-4041.